

PROPOSED BPA I-5 CORRIDOR REINFORCEMENT PROJECT
Are property values affected along proposed route segments?

Purpose

The purpose of this report is to determine if evidence exists showing that the location of properties along corridors being considered by the Bonneville Power Administration (BPA) for creation or expansion of high-voltage electric transmission lines effects or influences the property's market value.

Background

In a letter dated October 9, 2009, BPA notified land owners of their intent to build or expand high-voltage transmission lines through Southwest Washington, including Clark County. BPA's project included 58 proposed routes under consideration. Subsequently, several routes were removed and others added. BPA's planning activity raised questions about the proposed corridors. Foremost among these questions was: Do these proposed routes have an effect on the values of adjacent properties? To answer this question, the Clark County Assessor's Office conducted an analysis of market sales and trends to determine whether or not a market effect exists.

Standards

The county's study was conducted under the guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Washington Department of Revenue. USPAP requires that: "When analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are ***reflected in market actions.***" [emphasis added] (USPAP Standard 1, Standards Rule 1-4 (f))

USPAP standards further require that an appraiser "must not perform an assignment with bias; must not advocate the cause or interest of any party or issue; and must not accept an assignment that includes the reporting of predetermined opinions and conclusions." (USPAP Ethics Rule, Conduct Lines 209-213)

Any change in value must be supported through clear market evidence. According to the Department of Revenue: "Any adjustments to the value of your property or other properties will be based on market value evidence."

Methodology

There are approximately 6370 commercial and residential parcels that may be affected by the proposed BPA routes. It is estimated that 3521 of these parcels are ones that would be completely encumbered by the easement if they were located along a selected route. This

analysis assumes that if a property is completely encumbered, it will be purchased at market value as a result of eminent domain. Sales of these properties were not considered in this study.

The remaining 2849 parcels are potentially affected. From this group, there were 118 properties that sold in 2009. Of those sales, 28 were considered open market transactions under the guidelines and definitions of Washington State Department of Revenue. All 28 properties are located adjacent to an existing power-transition corridor that is proposed for expansion.

Each of the 28 sales was compared to other sales in a similar and homogeneous neighborhood, but not located on existing or proposed power-line corridors. The ratio of sales price to assessed value was used to identify and measure variations in value. When the ratios remain close, with little variation between the subject property and other comparable sales, the evidence begins to suggest that location along the power-line corridor does not influence market value. Conversely, if the ratio for the subject property and the comparable properties is significantly different, the evidence begins to support the premise that the power-line corridor does influence value.

Data Analysis

Individual parcels used for study available on request.

Conclusions

The small variations in assessment to sales price ratios found in this study are typical of those found in the market. These variations in assessed value to sale price ratios between the subject parcels and the control parcels provided no conclusive evidence that any market adjustment is warranted.

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